



State of Hawaii  
Housing and Community Development Corporation of Hawaii

July 1999 ♦ Quality Housing & Work Responsibility Act (QHWRA)

# Informational Flyer

for all Federal Public Housing and Section 8 program participants

Executive Director  
Donald K.W. Lau

Executive Assistant  
Sharyn L. Miyashiro



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On October 21, 1998, President Clinton signed into law the **Quality Housing & Work Responsibility Act (QHWRA)**. The QHWRA was enacted to revitalize and improve federal public housing and tenant-based assistance programs. The Act makes significant changes to federal housing programs and will affect you as a public housing resident or Section 8 program participant. The Act does not have an impact on State housing programs at this time.

The Act requires two public housing agency plans: 1) a Five Year Plan, and 2) an Annual Plan. The Five Year Plan will serve as a vision for future goals and objectives over the next five years. The Annual Plan will outline the current direction of programs and will

include policies governing client eligibility, selection, and admissions, as well as rent determination and several other items.

As the administrator of public housing for the State of Hawaii, the Housing and Community Development Corporation of Hawaii (HCDCH) will be working with public housing and Section 8 residents to examine and address your needs. Your concerns are important to us and we will be working with you to complete each plan. There will be opportunities for you to participate in the planning process. Informational materials will also be posted on our Web site at: [www.hcdch.state.hi.us](http://www.hcdch.state.hi.us).



## The New Public Housing Law

The Quality Housing and Work Responsibility Act of 1998 makes sweeping changes in the federal public housing and Section 8 housing assistance programs. This is a brief summary of parts of the new Act that most affect residents (please note that it is not a complete description of the housing law).

### How does the Act affect you?

#### Housing Assistance for Poorest Families/Deconcentrating Poverty.

**Federal Public Housing** – 40% of newly-available public housing units at a Public Housing Agency (PHA) must generally go to families with incomes less than 30% of the area median income (as determined by HUD).

**Tenant-Based Section 8 (Vouchers)** – 75% of newly-available vouchers must go to families with incomes less than 30% of the area median income.

**Deconcentrating Poverty** – A PHA must adopt an admissions plan to place relatively higher income families in lower income developments and lower income families in higher income developments to

help eliminate concentrations of poverty.

**Site-Based Waiting Lists** – PHAs may establish a system of site-based waiting lists to accomplish the above, consistent with all applicable civil rights and fair housing laws.

#### Rents and Income.

**Minimum Rents** – PHAs must set minimum rent (not more than \$50) for residents in federal public housing. The PHA may make exceptions to payment of minimum rent for families in hardship circumstances.

**Choice of Rental Payment** – PHAs must develop both flat rent and an income-based rent schedule and provide families with an annual choice between the two types of rent. The PHA's rental policy must encourage and reward employment and economic self-sufficiency.

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**Earned Income Disregard** – PHAs may disregard earned income for 12 months after new employment and phase in rent increases after that.

**Adjusted Income and Income Reporting** – The Act provides mandatory exclusions for medical expenses for non-elderly families and for child and spousal support. Families in federal public housing or Section 8 must disclose income, earnings, wages or unemployment compensation to the PHA.

### **Supportive Services.**

The Act requires cooperative agreements between PHAs and local welfare agencies to target supportive services.

### **Community Service and Self-Sufficiency.**

**Community Service** – Adult members of assisted families must participate for at least 8 hours a month in community service or economic self-sufficiency training. This does not apply to elderly persons, disabled persons, persons already working, persons exempt from work requirements under State welfare-to-work programs, or persons receiving assistance under a State program that have not been found to be in non-compliance with such a program. PHAs must refuse to renew the resident's 12-month lease for failure to satisfy this requirement.

**Welfare Sanctions and Rent** – For residents in federal public housing or recipients of tenant-based Section 8 assistance receiving Temporary Assistance to Needy Families (TANF), a family's rent will not be reduced when its income goes down because of welfare agency sanctions.

### **Resident Involvement.**

**Membership on PHA Board of Directors** – Board of Directors of PHAs must include at least one member who is directly assisted by the PHA.

**PHA Plan** – The PHA must submit a Five-Year Plan and an Annual Plan with consultation from one or more Resident Advisory Boards. In addition, the PHA must hold public hearings on the plans providing a minimum of 45 days notice.

**Demolitions and Disposition** – The new Act requires PHA demolition applications to be developed in consultation with affected residents. It also provides residents with the opportunity to purchase developments in the case of proposed dispositions (not demolitions). Advance notice of displacement, comparable relocation housing, counseling and payment of relocation costs are also required.

**Conversions** – The PHA must consult with the residents of an affected project when developing plans for converting a public housing project to tenant-based Section 8 assistance. Advance notice of displacement, comparable relocation housing, counseling and payment of relocation costs are also required.

**Requests to Transfer Management** – The U.S. Department of Housing and Urban Development (HUD) may transfer the authority for managing specified housing to an eligible management entity if a request to do so is made by a majority vote of the residents of that housing, after certain other requirements have been met.

### **Homeownership.**

HUD may, in accordance with a PHA's plan, transfer a unit to an eligible resident purchaser, under a program that will be designed by HUD. PHAs must initially offer the unit to the resident occupying it, or to an organization serving as the channel for sales to any such resident. Protections for residents not choosing to purchase are the same as those noted in the demolition and disposition section.

### **Pets.**

The new Act allows residents in federal public housing (not tenant-based assistance) to have one or more common household pets, subject to the reasonable requirements of the PHA. PHAs may prohibit pets that are classified as dangerous and prohibit pets in certain kinds of buildings or developments. Residents must keep their pets responsibly.

### **Safety and Security.**

**Access to Criminal and Drug Abuse Records** – The Act allows PHAs to require applicants for federal public housing and tenant-based assistance to consent to the PHA obtaining adult criminal conviction records from the National Crime Information Center, other law enforcement agencies, and drug abuse treatment facilities. If the PHA requires applicants to allow the PHA to get records on possible current illegal drug use from a drug abuse treatment facility, there are a number of legal consent, records, and confidentiality requirements that the PHA must meet.

**Admissions Screening** – The Act authorizes PHAs to establish standards prohibiting admission to federally assisted housing to households with a member who it determines is illegally using a controlled substance or abusing alcohol in a way that may interfere with the health, safety, or peaceful enjoyment of the premises by other residents. The PHA must also screen for and prohibit admission of persons who are dangerous sex offenders.

**Terminations and Evictions** – Residents of federal public housing and tenant-based Section 8 assistance may have their leases terminated and be subject to expedited eviction for violent or drug-related criminal activity and felony convictions. Families evicted for drug-related criminal activity are prohibited from being readmitted for 3 years.

## Tenant-Based Section 8

**Payment Standard** – The subsidy amount is based on a payment standard set by the PHA anywhere between 90% to 110% of the fair market rent (FMR). HUD may approve payment standards lower than 90% or higher than 110% of FMR.

**Tenant Rent** – A family renting a unit below the payment standard pays the higher of 30% of monthly adjusted income, 10% of monthly income, or the welfare rent. A family renting a unit above the payment standard pays the higher of 30% of monthly adjusted income, 10% of monthly income, or the welfare rent, plus the amount of rent above the payment standard. A family must not pay more than 40% of income for rent when the family first receives the subsidy in a particular unit.

**Optional PHA Screening of Applicants** – Although the screening and selection of tenants will remain a function of the owner, the PHA also may elect to screen applicants in accordance with any HUD requirements.

**Termination of Tenancy** – “Violent criminal activity on or near the premises” is added to the statutory termination of tenancy provisions.

**Portability** – PHAs may opt to require applicants who were non-residents at the time of application to live in the PHAs jurisdiction during the first year. PHAs must not issue a participant a voucher for a portable move if the family has moved out of the unit in violation of the lease.

**Homeownership** – PHAs may opt to implement a Section 8 tenant-based homeownership program.



## Public Housing Plans - Working Together

### Five Year Public Housing Agency Plan - Goals & Objectives

The QHWRA requires public housing agencies to develop two plans. The first plan is a Five-Year Plan that states the PHA's mission for serving the needs of low-income and very low-income families during the next five years. It also identifies the PHA's goals and objectives.

The PHA's mission, goals, and objectives must be consistent with HUD's to:

- Increase the availability of decent, safe, and affordable housing;
- ensure equal opportunity in housing;

- promote self-sufficiency and asset development of families and individuals; and
- improve community quality of life and economic vitality.

The Five-Year Plan is due to HUD by April 15, 2000.

## Annual Plan - Operations & Management

This plan applies to federal public housing and Section 8 tenant-based assistance programs.

### What are the sections of the Plan?

- **Housing Needs** of the low-income and very low-income families (includes elderly families and families with disabilities) and how the PHA intends to address those needs.
- **Financial Resources** available to the PHA and the planned uses.
- **Policies Governing Eligibility, Selection, and Admissions** – PHA's eligibility, selection, and admission, assignment, and occupancy policies for federal public housing and Section 8 tenant-based assistance. Also, procedures for maintaining waiting lists including an admission policy for deconcentrating low-income families.
- **Rent Determination** - The discretionary policies that governs rents charged for public housing units, including flat rents and rental contributions of families assisted under section 8(o) (Section 8 Rental and Homeownership Assistance) of the United States Housing Act (USHA).
- **Operation and Management** – Administrative rules and policies governing the management and maintenance of federal housing owned, assisted, or operated by the PHA.
- **Grievance Procedures** that the PHA makes available to their residents and Section 8 tenants.
- **Capital Improvements** necessary to ensure the long-term physical and social viability of the federal public housing projects.
- **Demolition and/or Disposition** – A description of any federal public housing projects which the PHA will apply for demolition and/or disposition approval and the timetable for demolition and/or disposition.
- **Designation of Public Housing for Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities** – Identification of any projects that the PHA has designated, or plans to designate, for occupancy only by elderly families, or for elderly families and families with disabilities.
- **Conversion of Public Housing** – A description of any building(s) that the PHA is required to convert or voluntarily plans to convert to tenant-based assistance.
- **Homeownership** – A description of any homeownership

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programs administered by the PHA under section 8(y) (Homeownership Option) of the USHA, or any homeownership programs for which the PHA has applied or will apply to administer under new section 32 (Resident Homeownership Programs) of the USHA.

- **Community Service and Self-Sufficiency** – A description of any programs to enhance the economic and social self-sufficiency of assisted families, and how the PHA will comply with the USHA and QHWRA.
- **Safety and Crime Prevention** – A plan for safety and crime prevention to ensure the safety of the residents of federal housing projects, that is developed in consultation with local law enforcement.
- **Ownership of Pets in Public Housing** – A statement of policies and requirements pertaining to the ownership of pets in federal public housing.
- **Civil Rights Certification** – A certification that the PHA will carry out its plan in conformity with all applicable civil rights requirements and will affirmatively further fair housing.
- **Fiscal Year Audit** – The results of the most recent fiscal year audit of the PHA.
- **Asset Management** – How the PHA will carry out its asset management functions with respect to the federal housing project inventory, including how the PHA will plan for long-term operating, capital investment, rehabilitation,

modernization, disposition and other needs for such inventory.

- **Other Information** – A Table of Contents, Executive Summary, and Progress Report.

## What is the Resident Advisory Board?

To assist the PHA in developing the annual plan, the Act provides for the establishment of a Resident Advisory Board. The PHA must establish one or more Boards and the membership must adequately reflect and represent all the residents assisted by the PHA. Section 8 tenant-based assistance recipients must be represented because their interests may be different from those of federal public housing residents.

The purpose of the Advisory Board is to assist the HCDCH and to make recommendations regarding the development of the Annual Plan.

## Are there other chances to provide HCDCH with comments on the plan?

Yes, a public hearing must be held and a notice of the hearing must be provided no later than 45 days before the hearing date. Notices will be posted at the federal housing projects, on the HCDCH's Internet site, and in a newspaper of general circulation.



**Governor**  
Benjamin J. Cayetano

**Executive Director**  
Donald K.W. Lau



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Nadine K. Nakamura  
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Internet Web site: [www.hcdch.state.hi.us](http://www.hcdch.state.hi.us)  
e-mail: [hcdch@hcdch.state.hi.us](mailto:hcdch@hcdch.state.hi.us)

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HCDCH  
677 Queen Street, Suite 300  
Honolulu, Hawaii 96813

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